

MINORITY SHAREHOLDERS WATCH GROUP
BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – 21 May 2024 Part 2

MSWG AGM/EGM WEEKLY WATCH
20 -24 MAY 2024

MSWG had issued AGM/EGM letter to the following PLCs for their shareholders meeting held from 20 -24 May 2024.

The extraction of the question raised in the letter is highlighted here. For the details of other questions, please login to MSWG website at www.mswg.org.my.

One of the points of interest to be raised:

Company	Points/Issues to Be Raised
Master-Pack Group Berhad (AGM)	<p>The total remuneration of Executive Chairman Dato' Seri Syed Mohamad Syed Murtaza has increased 45.3% year-on-year (y-o-y) to RM5.6 million in FY2023 from RM3.85 million the year before (page 48 of Corporate Governance Report 2023).</p> <p>In FY2023, the Group's revenue reached RM166.5 million, marking a notable increase of RM5.5 million or 3.4% higher compared to that of the previous year. Meanwhile, net profit increased by 12.7% to RM24.61 million from RM21.8 million previously.</p> <p>The "Bonus" received by Dato' Seri Syed Mohamad saw a substantial increase of 175% to RM2.34 million compared to RM852,000 in FY2022.</p> <p>Why was there a significant increase in the bonus he received? What were the considerations taken into account by the Remuneration Committee when it deliberated the remuneration of Dato' Seri Syed Mohamad?</p>
Muar Ban Lee Group Berhad (AGM)	<p>A significant development for MBL in FY2023 was its investment in SWS Capital Berhad, a Main Market-listed company involved in the manufacturing and sale of furniture and plastic wares.</p> <p>MBL started investing in SWS Capital in August 2023 and emerged as a substantial shareholder of it two months later.</p> <p>a) What are MBL's total investments for the 27.44% stake in SWS Capital versus the current carrying amount?</p> <p>b) As of the financial year ended 31 December 2023, SWS Capital turned loss-making with a net loss of RM6.4 million compared to a net profit of RM2.9 million in FY2022, on the back of a lower revenue at RM123.6 million (FY2022: RM158.4 million).</p> <p>Meanwhile, MBL recorded losses amounting to RM2.6 million from the dilutive effect on the share of SWS Capital and its share of associate company's loss of SWS amounting to RM4.5 million (page 23 of AR2023).</p> <p>Given that SWS Capital said it "foresees continued difficulty in business condition for FYE 2024" (page 13 of SWS Capital's Annual Report 2023), what are the potential and catalysts offered by SWS Capital to MBL?</p> <p>How does the investment in this loss-making company create sustainable value for MBL and its shareholders?</p>
Petra Energy Berhad (AGM)	<p>a) As of 31 December 2023, the Group has significant concentration of credit risk in the form of outstanding balance due from one customer (2022: one) which is a major player in the oil and gas industry, representing approximately 84% (2022: 95%) of the Group's total net trade receivables and contract assets. (Page 167 of AR)</p> <p>b) The concentration risk is significant as the Group derived more than 80% of its business from one customer. What were the challenges faced by the Group in not getting more customers?</p> <p>c) What measures has the Group taken to overcome the customer concentration risk, and what is the success rate regarding customers secured?</p>
Cahaya Mata Sarawak Berhad (AGM)	<p>During the year under review, the Phosphates Division registered zero revenue in lieu of unavailability of power supply as a result of a legal dispute with a power supplier. It reported a higher LBT of RM156.70 million for FY2023 to that of FY2022, where a loss of RM61.31 million was recorded (Page 17 of AR2023). This higher loss in FY2023 can be attributed to recognising the commissioning and finance related costs incurred during the construction phase in FY2022 (Page 23 of AR2023)</p> <p>a) The Group believes that Cahya Mata Phosphates Industries has arguable grounds on its claim to be heard during the upcoming arbitration and to reinstate the electricity supply for its integrated phosphate complex (plant) in order to achieve the full commercial operations (Page 237 of AR2023). What is the update on the legal dispute with power supplier, Syarikat SESCO Berhad (SESCO)?</p> <p>b) What is the Group's view on the probable outcome of this legal suit? When does the Board expect this legal dispute to end and the expected timeframe to commence full commercial operations of the plant?</p> <p>c) Have the Group made any provision for the counterclaim of RM342,247,000 by SESCO?</p> <p>d) What was the amount incurred for commissioning and finance related costs in FY2023? Are these costs expected to be at the same level or higher in FY2024?</p>
Malaysian Resources Corporation Berhad (AGM)	<p>The Group incurred inventories written down of RM34.1 million in FY 2023 as compared to RM Nil in FY 2022. (Page 27 of FS)</p> <p>a) Please explain the reasons for the write down of inventories amounting to RM34.1 million in FY 2023.</p> <p>b) What were the types of inventories that were written down with their respective amounts?</p> <p>c) Is there a potential that the inventories written down to be written back in FY 2024? If not, please explain.</p>

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POS Malaysia Berhad (AGM)	<p>The Postal segment experienced a 12.3% drop in revenue to RM1.1 billion primarily due to intense competition and predatory pricing from foreign courier companies and major e-commerce players further advancing their insource delivery capabilities. The Postal segment's LBT too widened by 18% to RM153.6 million, impacted by lower revenue and fixed costs, despite efforts to manage costs leading to reduced transportation and delivery expenses (Page 24 of AR2023).</p> <p>a) How does the segment intend to address this intense competition and other challenges mentioned above in 2024?</p> <p>b) The segment's cost management was seen as insufficient to curb its declining revenue and fixed costs, which led to the widening LBT. What other measures is the segment implementing to tackle the widening LBT?</p>
Formosa Prosonic Industries Berhad (AGM)	<p>The Group reported sales of RM673.9 million for FY2023, a decrease of 31.5% year-on-year mainly attributable to sales mix and lower sales volume (Page 6 of the Annual Report 2023/AR2023).</p> <p>a) Please provide more insights to shareholders on the decreased sales in FY2023, such as which products experienced lower sales volume, etc.</p> <p>b) How does the Board intend to address the significant decrease in sales? Based on the current economy and market environment, what is the outlook for sales performance in FY2024?</p>
Vitrox Corporation Berhad (AGM)	<p>On 26 October 2023, the Committee noted the declaration by Ms. Chuah Poay Ngee that currently she is a director and major shareholder of South Island Building Sdn. Bhd. ("SIB"), a construction company in the field of building, civil and mechanical engineering and turnkey projects. SIB was being invited by ViTrox Technologies Sdn. Bhd. to participate in the tender for the piling work of Main building of Campus 3.0 ("the Tender"). Accordingly, she has abstained and continued to abstain from all deliberations and voting in respect of the Tender. (page 78 of AR2023)</p> <p>a) Given that there is an element of conflict of interest, what was the rationale for inviting SIB to participate in the Tender?</p> <p>b) How many companies participated in the Tender? What was the outcome and value of the Tender? If SIB won the Tender, how did SIB stand out compared to other bidders?</p>
Uchi Technologies Berhad (AGM)	<p>Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) stipulates that 30% of the Board should comprise women. As of FY2023, there was only one-woman director out of the 6 directors on the Board.</p> <p>What steps are being taken to achieve a 30% women representation on the Board as stipulated by the MCCG? What specific plans and strategies does the Board have in place to work towards this goal? And when do you expect to comply with Practice 5.9?</p>

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